

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

STONEX GROUP INC. and STONEX
FINANCIAL INC.,

Plaintiffs,

Case No. _____

- against -

HOWARD SHIPMAN,

Defendant.

**DECLARATION OF CHRISTOPHER AMATO IN SUPPORT OF PLAINTIFFS'
MOTION FOR A TEMPORARY RESTRAINING ORDER**

I, Christopher Amato, hereby declare as follows,

1. I am the Managing Director of Principal Equity Development for Plaintiffs StoneX Group Inc. and StoneX Financial Inc. (collectively “StoneX” or the “Company”) with managerial oversight over the quantitative strategies group (“Quant Group”) including supervision of Howard Shipman and the development of Pascal and Darwin. I have personal knowledge of the facts set forth herein and, if called to do so, could competently testify thereto.

2. I have worked at StoneX since December 2020. From December 2020 to October 2022, I was a member of the Quant Group, and from October 2022 to the present, I have been the head of the Quant Group. I report to Thomas Moore, Managing Director and Head of Equity Trading.

3. StoneX Group Inc. is a publicly traded financial services organization, which is listed on the NASDAQ stock exchange as SNEX.

4. StoneX Financial Inc. is StoneX Group Inc.'s broker-dealer entity, registered with the Financial Industry Regulatory Authority ("FINRA").

5. As is relevant here, StoneX's high-tech quantitative solutions ("Quantitative Strategies") was established in 2021 with the hiring of Shipman, and two other developers.

6. The Quant Group made significant investments in technology, and data subscriptions, to form a new division within StoneX Financial Equities Division to develop new capabilities for the Company.

7. These projects included:

a. Project "Pascal" – An internally developed National Market System ("NMS") electronic market making project, designed to provide liquidity in NMS securities.

i. Pascal was developed during 2021 and was operational during 2022.

ii. As described in greater detail herein, [REDACTED]

iii. StoneX invested in equipment, staff, leased co-location spaces, lines and market data to support this endeavor. It invested millions of dollars to develop this trading system.

iv. Pascal became operational in 2022 and has generated substantial revenue in 2022.

b. Project "Darwin" – A separately developed [REDACTED]

i. Darwin was proposed and approved in early 2022. While Shipman was the lead developer for the program, its foundational operations relied upon [REDACTED]

ii. While still in the development stage, StoneX has already committed several million dollars towards the necessary hardware, data centers, and information necessary for Darwin's operation.

8. Following completion of the operational code for Pascal, the next project to begin development was Darwin in early 2022.

9. The first experimental trade using Darwin occurred on or about February 2022.

10. [REDACTED]

11. Darwin was to be developed (*i.e.*, the code should have been written and stored) on the StoneX Pascal Azure servers in accordance with StoneX's policies.

12. Shipman was the Co-Head of Quantitative Strategies, a group that focuses on analytical research, within the Quant Group until his termination on December 9, 2022.

13. The Quant Group is responsible for developing StoneX's NMS electronic market making project, "Pascal" and proprietary trading project, and "Darwin" described above.

14. During his employment, Shipman initially reported to Thomas Moore, the Managing Director and Head of Equity Trading, and then in or around October 2022, began reporting to me in my position as Managing Director, Principal Equities Development, until his termination.

15. The Quant Group utilizes a number of physical and cloud-based technology resources to perform its work for StoneX. Among these resources are computers, physical servers, and cloud based servers.

16. The Company provided Shipman with a company-owned laptop to perform his work for StoneX.

17. I have reviewed two documents that Charlies River Associates believes Shipman copied onto an external hard drive from his StoneX laptop – “C:\Users\howard.shipman\Documents\Darwin\QuantStrat Plan 2023.docx” and “C:\Users\howard.shipman\Documents\mm_shares.xlsx” These documents are highly sensitive and confidential to StoneX.

18. The “QuantStrat Plan 2023” document is marked “Strictly Confidential and Private, Property of StoneX,” and includes detailed information about StoneX’s strategy, monetization strategy and market predictions, for the Quant Group.

19. The “mm_shares” document is a Microsoft Excel file that includes sensitive and confidential financial projections for StoneX’s market-making activities. This information is unique to StoneX and its target goals.

I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing statements are true and correct to the best of my knowledge.

Dated: Winter Park, Florida
January 13, 2023


Christopher Amato